FINANCIAL PROCESSES

- Treasury Management

- Accounts Payable

- Accounts Receivable & Billing

- Grants

- Budgeting & Forecasting

- Cost Accounting

- Fixed Asset Accounting

- General Accounting

- Payroll & Benefits

- Reporting & Analysis

- Strategic Planning & Support

- Travel & Expenses

ACCOUNTS PAYABLE

DESCRIPTION

- To recognize liability for goods and services acquired in the procurement process and to provide payment to the suppliers of such goods and services based on the achievement of a required level of assurance verifying that proper receipt has occurred.

GENERAL PROCESSES

- Establish Payment Amount
- Process Payment

INNOVATIVE PRACTICES

- Automated Invoice Validation
- Automated Matching
- Document Imaging & Workflow Management
- EDI Receipt of Invoice
- Evaluated Receipt Settlement
- Non-Receiving of Invoices
- Passive Receiving
- Procurement Cards
- Proxy Invoicing
- Rationalization of Suppliers
- Summarized Billing

CURRENT PROCESSES

- Establish Payment Amount
- Process Payment on SBAS and Warrant Writer
- Process Payment on Agency Internal System

CURRENT ENABLERS

- On-line Entry and Edit (OE&E) provides widespread access for data entry.
- Warrants are issued in a timely manner.
- Some organizations have good linkages to SBAS through their operational systems.
- Management of Accounts Payable is centered at the agency level and thus agency specific processing of invoices and supporting documentation is performed efficiently.
- Direct Deposit
- Procurement Cards
- Some rationalization of suppliers

PROBLEM INDICATORS

- Accounts Payable is not connected to the procurement process. Thus, procurement information that might form a strong basis for payment processing is not captured or transferred. Extra manual effort is required to make up for this.

OPPORTUNITIES

Integrate Accounts Payable, Procurement and Asset Management Processes

Project:

To modify and support Accounts Payable, Procurement and Asset Management processes so that they are driven at the point of purchase. This will involve redefining existing processes and developing supporting systems and interfaces for improved data accessibility.

Urgency: High

Implementation Time: Long

Barriers:

- High level of complexity
- Ability of existing information systems to handle information demands
- High development cost

Gains:

- Reduction of manual effort in procurement process
- Consistent, higher quality data
- Information linkages for better information analysis

Develop Improved Operational Systems Interfaces

Project:

To investigate and develop ways to improve the level of connectivity between the central administrative systems (SBAS, PPP, etc.) and operational systems. This will involve the examination of agency operational requirements and processes, as well as systems development to construct data linkages.

Urgency: Medium

Implementation Time: Medium

Barriers:

- High level of complexity and variability
- Ability of State systems to import/export data
- Ability of operational systems to import/export data
- Medium development cost

Gains:

- Reduction or elimination of manual accounts payable processing at the agency level
- Reduction of manual effort in operational-administrative information reporting

ACCOUNTS RECEIVABLE & BILLING

DESCRIPTION

The account receivable and billing process include three major sub-processes: credit, billing and collection which are closely interrelated. The objective of the account receivable and billing process is to:

- Assess current and new customer credit risk in order to ensure customer payment within the defined level of risk established by the organization.
- Improve the organizations cash flow by reducing or eliminating all billing, payment and processing floats.
- Collect all receivables of the organization within its established policy while maintaining a high level of customer satisfaction.

GENERAL PROCESSES

- Bill Customers
- Manage Credit Notes
- Receive Payments
- Manage Delinquent Accounts
- Develop and Maintain A/R Policies

INNOVATIVE PRACTICES

- Automated Invoice Matching
- Consolidated Invoicing
- Deposit Payments Daily
- Debit Order/Pre-Authorized Payment
- Late Payment Service Charge
- Purchase Netting Between Organizations
- Exception Reporting On Delinquent Accounts
- Automated Standard Letter On Delinquent Accounts
- Imaging Technology
- Seamless Order Entry, Credit And Billing
- External Credit Assessment By Specialists
- Appropriate Credit Notes Management
- Automated Service Centres

CURRENT PROCESSES

- Bill Customers
- Receive Payments at Agency
- Register Payments at Agency
- Deposit Payments at Treasury
- Account for Payments at Agency
- Manage Delinquent Accounts
- Develop and Maintain A/R Policies

CURRENT ENABLERS

- SBAS processing
- Lotus 123 and other agency-specific smaller systems
- Daily deposit of payments at the Treasury

PROBLEM INDICATORS

- There are overhead costs of processing receivables in individual agencies. The decentralized nature of receipt

processing combined with the poor connectivity between administrative and operational systems forces individual agencies to expend efforts which could be centralized and shared across organizations.

- Additionally, there is limited connectivity between agencies. Therefore information sharing, such as payer information and bad debt risks between agencies is not performed.

OPPORTUNITIES

Centralize Accounts Receivables Processing

Project:
To explore the feasibility and develop support required for the centralization of the receipt and registration of revenues to the State. This will involve the examination of existing receipt processing and system requirements to support new functionality and interfaces to agency systems.

Urgency: High

Implementation Time: Long

Barriers:
- High level of complexity
- Ability of existing A/R processes to be amalgamated centrally
- Ability of existing operational systems to interface
- High development cost

Gains:
- Reduction of decentralized manual effort for receivable processing
- Consistent, higher quality data
- Faster receipt and deposit of funds
- Sharing of information across agencies, such as payer and bad debt information

GRANTS

DESCRIPTION

- The grants process includes the receipt, distribution and return of funds from external agencies. These funds are typically oriented towards specific program spending. The process of compliance demonstration and associated reporting procedures are operationally distinct and separate from this analysis.

GENERAL PROCESSES

- Process Grant Transactions
- Distribute and Track Grant Funds
- Collect and Redistribute Funds
- Return Unallocated Funds

CURRENT PROCESSES

- Process Grant Transactions
- Distribute and Track Grant Funds
- Collect and Redistribute Funds
- Return Unallocated Funds

CURRENT ENABLERS

- SBAS
- Warrant writer
- Direct Deposit
- In-house grant management systems
- Lotus 123

- Email

PROBLEM INDICATORS

- This process is very decentralized; most agencies receiving grant funds have staff responsible for ensuring that the funds are properly received, allocated and reported on. While there is some variability in grant payment and management time periods, there may be gains in centralizing this process.
- This process also has little administrative support from State-wide systems. Existing process steps and additional information systems are required to accommodate most grants. A widespread problem is the inability to cross multiple fiscal years within SBAS. Agencies are forced to develop their own tracking systems that augment SBAS by tracking funds from the last fiscal year.
- Transactions in the grant process do not use electronic mail as efficiently as possible, as transmission of associated information (i.e., a list of entities entitled to receive grants is handled at times electronically, but often on paper).

OPPORTUNITIES

Centralize Grant Processing

Project:
To explore the feasibility for, and to develop support required for the centralization of the receipt, registration, distribution, collection and return of grant funds to the State. This will involve the examination of existing processing and system requirements to support new functionality and interfaces to agency systems.
Urgency: Medium
Implementation Time: Long
Barriers:
- High level of complexity
- Ability of grant processes to be amalgamated centrally

- Ability of grant reporting systems to interface with a central system
- High development cost

Gains:

- Reduction of decentralized manual effort for grant processing
- Consistent, higher quality data
- Faster receipt and processing of grant funds

BUDGETING & FORECASTING

DESCRIPTION

- Budgeting has five principal purposes: to allocate resources in a manner which will accomplish the organization's goals and objectives, to fine tune the strategic plan, to help coordinate the activities of the several parts of the organization, to assign responsibility to managers and to obtain a commitment that is a basis for evaluating a manager's actual performance.

- Forecasts are prepared regularly to reflect the enterprises planned course of action based on the best estimate of the economic conditions that will occur. The forecast takes into account all developments subsequent to the budget and provides an up-to-date frame of reference to supplement the permanent budget. A financial forecast is exclusively a planning tool, whereas a budget is both a planning tool and a control tool.

GENERAL PROCESSES

- Develop Budgeting Schedule
- Prepare the Budget
- Prepare Forecast

INNOVATIVE PRACTICES

- Automated Tools For Budget Management
- Drill-Down From Summary Information to Detail

- Integration of Financial, Operational (Performance) and External Data in Budget

CURRENT PROCESSES

- Develop Budgeting Schedule
- Develop Agency Budget
- Submit Agency Budget
- Approve Agency Budget
- Conduct Legislative Review
- Finalize Budget
- Return Revised Budget to Agency
- Perform Budget Allocation on SBAS
- Enter Position Control Budget on PPP

CURRENT ENABLERS

- Lotus 123

PROBLEM INDICATORS

- There is little automation of budget information. Budget data is developed and submitted by paper or on obsolete versions of Lotus 123 spreadsheets, with extensive manual effort both within the agency and within the budget office.
- Budgets are developed without tools to accurately forecast and predict future requirements. Existing information tools and reports are not capable of constructing forecasts nor able to accommodate "what-if" analysis.
- Budgeting for Position Control is poor, as there is limited functionality in PPP for position control.
- There is no connectivity between the central budget tracking mechanism and SBAS. Even though budget information is submitted and analyzed centrally, the finalized budget for SBAS must be re-entered at the agency at the detailed level.

- Lack of forecasting ability on SBAS forces agencies to adopt manual, individual processes and systems to provide rudimentary forecasting abilities. This causes the re-keying of information into desktop applications to create the basis for forecasting.
- Transfer of information and meeting information demands between agencies and the legislature and budget office results in extreme levels of paperwork and manual investigation. Existing information is not readily accessible, and hard to develop coherent information from. Large amounts of data are paper-based and microfiche based.
- As agencies exchange increasing amounts of paper and paper-based information, a filing process is incurred with overhead involved in the reporting, tracking, and accounting of information delivered to the legislature. Tracking the progress of proposed budgets within the legislative sessions is a process which is unautomated and does not have adequate tools.

- Reduction of manual effort at a central and agency level
- Reduction in repeated exchange and transmission of budget information
- Greater understanding of budget data requirements across the agencies
- Greater accountability and performance-based budgeting
- Forecasting capability
- Consistent, higher quality data
- Higher degree of awareness for agencies during legislative process

OPPORTUNITIES

Reengineer Budget Process

Project:
To reengineer the existing statewide budgeting process including an assessment of the budget information required, the identification of efficient processes to be adopted, system support requirements and identification of how the budgeting process is integrated with other activities. This will involve the redefinition of existing processes, as well as implementation of supporting systems and interfaces.

Urgency: High
Implementation Time: Medium
Barriers:
- High level of complexity
- Ability of agency information systems to interface with a central budget system
- Ability of SBAS and PPP to deliver required budget information
- High development cost

Gains:

COST ACCOUNTING

DESCRIPTION

The cost accounting process objectives are to:

- Measure, produce financial analyses and report on the cost and benefits of cost objects (product/service, activity, customers, etc.) on which management needs information for control, planning and decision making purposes.
- Produce cost accounting information in the shortest time possible while maintaining a high degree of accuracy and relevancy.

GENERAL PROCESSES

- Establish General Costing Approach
- Establish Internal Charge-back Approach
- Capture and Process Costing Data

INNOVATIVE PRACTICES

- Establishing a General Costing Approach
- General Ledger Repository
- Chargeback Mechanism and Support
- Automated Data Capture
- Bar Coding
- Up Front Data Capture and Validation

CURRENT PROCESSES

- Establish General Costing Approach
- Establish Internal Charge-Back Approach
- Capture and Process Costing Data

CURRENT ENABLERS

- Agency Specific Systems
- Some Charge-Back Structures

This process is not performed by most agencies outside of external reporting requirements. Most agencies do not currently see the need to adopt cost accounting measures, nor do they have the tools to properly track and assess costs. Agencies which are performing this process at an average or good level have developed their own internal costing system outside of central state systems.

PROBLEM INDICATORS

- The structure of data within SBAS limits any ability to conduct proper cost accounting. Costs can be tracked only to the Responsibility Center level. This limits the agency's ability to accumulate costs across programs and agencies. Thus, agencies have created unique reporting methodologies and tracking systems to accumulate these costs for reimbursements from the Federal government.
- These systems typically involve extensive manual effort and re-keying of information.
- These custom systems result in timing delays between when costs are incurred and when they are allocated to federal programs (for reimbursement). Thus the State is financing federal program expenditures for the period of this delay.
- There is little detailed time tracking in PPP which forces individual agencies to track personnel costs separately at a detailed level. Not only are detailed time-sheets entered into Prepayroll, but they are also entered into the individual agency tracking system.

OPPORTUNITIES

Develop Costing Strategy and Tools

Project:
To develop a strategy that identifies how costing methods can assist the State and agencies for both internal management purposes and external reporting and accountability purposes. This will involve the specification of existing practices, development of costing requirements and integration of costing processes with existing business practices. Tools and supporting systems will need to be developed to assist state efforts.

Urgency: High

Implementation Time: Medium

Barriers:
- Education and training
- Ability for existing agency systems to track cost information
- Ability for existing State systems to track cost information
- High development cost

Gains:
- Better knowledge of the costs of existing processes
- Better knowledge of cost accounting techniques and principles for a fairer charge-back mechanism
- Better accounting for resources, both monetary costs and staff costs
- Better tools to perform strategic planning
- Better information to allow greater accountability and performance-based budgeting

FIXED ASSET ACCOUNTING

DESCRIPTION

- The objective of fixed asset accounting is to record capital acquisitions for accounting purposes, and to facilitate the amortization/depreciation of these assets over their useful economic life.

GENERAL PROCESSES

- Establish Asset
- Manage Assets
- Dispose of Assets

INNOVATIVE PRACTICES

- Decision Model for Strategic Investments
- Automated Evaluation
- Automated Processing
- Bar Coding of Assets
- Life Cycle Analysis
- Location Codes for Assets
- Electronic Sales Catalog

CURRENT PROCESSES

- Establish Asset
- Manage Assets
- Dispose of Assets

CURRENT ENABLERS

- PAMS
- SBAS
- Agency asset tracking systems
- Lotus 123

PROBLEM INDICATORS

There are a number of significant challenges associated with this process:

- Tracking fixed assets on PAMS is a manual system that is exclusively paper-based for the customers. Agencies do not have any automated method of entering and getting access to data.
- There are considerable delays between the acquisition, change or disposal of assets and the registration of the information within the PAMS system. The system only processes changes to information once a month. Most agencies use a separate application (Lotus, FoxPro or other) to track the same information as PAMS. This results in greater overhead and duplicate entry of data.
- The asset information resident in PAMS is very accounting-oriented. This forces agencies to adopt additional information systems to track other information such as maintenance costs or asset attribute information.
- Asset tracking in PAMS is not rigorous, as only fixed assets are tracked. While agencies must track assets of greater than the $1000 threshold, some track lesser assets inconsistently. Where agencies are not using PAMS for smaller items, most use a Lotus spreadsheet to separately track assets.
- PAMS is not coupled with the procurement process. Asset information that could be shared between the fixed asset area and procurement process is duplicated. Additionally, any association of asset data with procurement data would require extensive effort.

OPPORTUNITIES

Extend PAMS Functionality

Project:
To expand current PAMS functionality to address key agency requirements. This includes the addition of asset tracking functionality above and beyond simple financial measurements, developing interfaces to operating systems within the agencies, decentralized online entry and access to PAMS data, and a daily processing cycle.

Urgency: High

Implementation Time: Medium

Barriers:
- Medium level of complexity
- Ability of agency information systems to interface with PAMS
- Ability of SBAS to maintain a daily connection with PAMS
- Medium development cost

Gains:
- Reduction of manual effort at a central and agency level
- Consistent, higher quality data
- Faster cycle time between actual purchase and entry into PAMS
- More useful information for agency purposes
- Development of greater agency use of PAMS and support of PAMS
- Enhancement of existing information system delivery
- Abandonment of existing agency specific asset-tracking systems

GENERAL ACCOUNTING

DESCRIPTION

- To collect financial data from feeder systems, to accumulate such data in logical accounts which indicate the nature of the transaction, to close and balance the financial records at period end, to adjust results for financial impacts which have not yet been recorded and to make financial data available for reporting and analysis.

GENERAL PROCESSES

- Develop General Accounting Framework
- Process Financial Transactions
- Perform Financial Closing Activities
- Provide Financial User Support

INNOVATIVE PRACTICES

- Common General Ledger Systems
- Consistent Chart of Accounts
- Integrated Systems
- Standardized Data Elements
- Continuous Updating of the General Ledger
- Automated Journal Entry Production
- Automated Balancing and Reconciliation
- Online Access to Reporting Results
- Online Access to Source Data

CURRENT PROCESSES

- Develop General Accounting Framework
- Process Financial Transactions
- Perform Financial Closing Activities
- Provide Financial User Support

In general, accounting within the State is good. There are a number of factors which contribute to this.

- The maintenance of the general ledger and the monitoring of entries is centralized for control purposes.
- The entry of information is decentralized through OE&E and RJE file submission from the agencies.

Moving forward in the future, it is important that this combination be augmented by increased leverage of accounting data at the agency level, as well as the integration of administrative information with operational information.

PAYROLL & BENEFITS

DESCRIPTION

- The objective of payroll and benefits administration is to ensure that all employees are paid in conformity with their conditions of service and that employee benefits are appropriately paid and managed.

GENERAL PROCESSES

- Capture Payroll Data
- Prepare Payroll
- Distribute Payroll
- Maintain Employee Records
- Administer Benefits

INNOVATIVE PRACTICES

- Electronic Time Clocks
- Employees Entering Own Time-sheets Online
- Exception Reporting
- Statistically Based Audit Procedures
- Voice Response System for Payroll
- Information Kiosks

CURRENT PROCESSES

- Capture Payroll Data
- Prepare Payroll
- Distribute Payroll
- Maintain Employee Records
- Administer Benefits

CURRENT ENABLERS

- Regular operation of PPP, SBAS and Warrant Writer ensure a timely pay cycle
- Tesseract systems

PROBLEM INDICATORS

- Benefits information must be submitted in hard copy from the agencies. While remote entry of information is possible, the benefits system is unfamiliar to agency users, and training is required to ensure integrity of the data.
- Access to benefits information is difficult since the benefits system has a radically different interface than other administrative systems. This has led to agency users phoning in to ask another person to retrieve benefit information, rather than accessing that information themselves.
- Time-sheet entry is still a largely manual process. In most agencies, time-sheets are prepared by employees in a form which is submitted to an agency administrative clerk. The clerk will manually enter in the time-sheet information into a system interfacing with PPP. This application is usually Prepayroll.
- Time-sheet data is not kept centrally, nor is it readily available for analysis or use by agencies. Time-sheet data is not tracked on PPP as only summarized time information is kept. Old time-sheet data is moved onto microfiche, making integration of data extremely difficult.

OPPORTUNITIES

Develop Improved Benefits System Interface

Project:
To modify the existing interface to the Benefits system so that external users can have easier access and familiarity with the system. This will involve the development of new keyboard interfaces, as well as new data screens.

Urgency: Low

Implementation Time: Medium

Barriers:
- Ability of Tesseract system to have significant interface change

Gains:
- Reduction of manual effort at a central and agency level
- Greater access to information at the agency level
- More efficient use of resources within the benefits area

Develop Electronic Time-sheet Entry

Project:
To develop a time-sheet entry mechanism that would be decentralized to the employee level for entry of time-sheet and travel expense information. This information would be centralized and fed automatically to PPP and SBAS. This will involve the development of a new desktop application with a centralized analysis engine. This will also involve change in existing reporting processes and greater accountability by employees.

Urgency: Low

Implementation Time: Medium

Barriers:
- Ability to harness email to deliver completed time-sheets
- Resistance from users to using new system

Gains:
- Reduction of manual effort at a central and agency level
- Greater access to information at the agency level
- More efficient use of resources within the administrative area

- Ability to centrally track agency or State wide time information at a detailed level
- Better information for future planning and scoping purposes

REPORTING & ANALYSIS

DESCRIPTION

- External Reporting and Analysis provides information on financial performance to external stakeholders. The primary purpose is to comply with regulatory/statutory requirements.

- Internal Reporting and Analysis provides information on operational and financial performance to internal stakeholders. The primary purpose is to provide accurate, timely and relevant information to assess performance and support decision making. The usual accounting report prepared for external purposes is useful, but is too limited by itself to provide management with support for decision making and action.

GENERAL PROCESSES

- Develop an Information Management Framework
- Prepare Internal and External Reports
- Perform Analysis
- Provide Access to Reports/Present Analysis

INNOVATIVE PRACTICES

- Automated User-Driven Reporting
- Electronic Access to Reports
- Results Based on Request

CURRENT PROCESSES

- Prepare Internal and External Reports
- Perform Analysis
- Provide Access to Reports/Present Analysis

CURRENT ENABLERS

- SBAS
- PPP Report Definition Screen
- Lotus 123
- Other desktop databases and application engines

This process is largely broken, as access to information is difficult and requires extensive effort. While some of these problems surround the capabilities of SBAS and PPP, a number of these problems are centered around business practices.

PROBLEM INDICATORS

- Non-standard reporting demands force agencies to accumulate and manipulate information manually through desktop applications. While some of this information is electronically accessible, historical information is only accessible via microfiche. Agencies without the capability to manipulate SBAS or PPP information electronically undergo a process of re-keying information into databases maintained at the agency level.
- Standard financial reports from the State-wide systems do not meet many of the management needs of the agencies. In particular, historical consolidations or comparisons are impossible.
- Reports from SBAS and PPP are not timely, and in a number of cases, information on a more frequent (daily) basis is required.
- Agencies spend excessive amounts of time gathering and formatting information. This is a problem, as they do not spend much time doing analysis. This is evidenced by the

absence of forecasting of financial and personnel information in many agencies. Report analysis conducted by agencies relates more closely to the report originating from the State-wide systems than to what agencies need to manage their business.

OPPORTUNITIES

Determine Customer Reporting Requirements

Project:
To determine, on an agency level, what information is required both internally and externally. While developing a new information system infrastructure would address many of the problems in this area, a more short-term solution is required. Assessing current information requirements will ensure the most efficient use of existing resources, while providing a base for future information system development. This project will involve the investigation and definition of information requirements on an agency level, the examination of existing practices to identify service gaps, and redesign of existing processes to better accommodate unaddressed needs.

Urgency: High
Implementation Time: High
Barriers:
- High level of complexity
- High level of involvement with all agencies
- Ability of entities to specify exact information requirements
- Ability of existing systems to deliver new reporting requirements, especially summarized or cross-functional data
- High development cost

Gains:
- Reduction of manual effort at a central and agency level
- Reduction in repeated exchange and transmission of redundant or useless information
- Greater understanding of data requirements across the agencies
- Consistent, higher quality data
- Higher degree of awareness between agencies

- Greater understanding of data requirements for successful service delivery

STRATEGIC PLANNING & SUPPORT

DESCRIPTION

- The purpose of strategic planning is to establish and secure the long term maintenance and development of an entity. Strategic planning is concerned with formulation, and implementation of strategy. The process involves management deciding on the goals and the main strategies for achieving these goals and developing programs that will implement the strategies efficiently and effectively.

- The primary role of the strategic plan is to provide the front-end focus and direction to the entire organization's planning efforts. Strategic planning occurs on two basic levels: corporate and business unit.

- At the corporate level, the key strategic question is: what set of businesses should the firm be in? The implementation issues revolve around the process of allocating resources to various businesses in the organization and the use of divestitures, acquisitions, spin-offs, joint ventures, and related restructuring strategies to better deliver public services.

- At the business unit level, the key strategic questions are: what should be the business unit's mission? How should the business unit act to accomplish its mission? Implementation at the business unit level revolves around the right allocation among the various functional areas, from research to service delivery.

GENERAL PROCESSES

- Defining the Organization's Mission
- Producing a Strategic Analysis
- Formulating Strategy
- Selecting and Validating Long Term Objectives
- Developing Integrated Programs
- Compiling and Presenting Financial Projections
- Preparing an Executive Summary

INNOVATIVE PRACTICES

- Automated Planning Tools
- Workflow
- Groupware
- Teleconferencing
- Conference Calls
- Planning Retreats

CURRENT PROCESSES

- Defining the Organization's Mission
- Biennium Planning of Resources
- Monitoring of Future Trends and Environment Changes

PROBLEM INDICATORS

- While this process is performed largely at the executive level, there has been little indication of the completeness of strategic planning within the agencies.
- Investigation into this area has not been deep, as the project focus has been on information systems delivery. However, there have been signs which indicate either the

lack of complete strategic planning, or the lack of communicating strategic directions and objectives to staff. These include:

- Uncertainty around why certain processes are performed, and a lack of time available to assess the validity of the processes.
- Passive, "we'll see" attitude on possible future operating environments and future impacts.
- Uncertainty on addressing future challenges and future impacts on the business of the agency.

- Integrated projects across agency boundaries and functional boundaries are few and unstable. More often than not individual agencies will develop projects in isolation, even though the project may be applicable to other agencies, or affects other agencies.

- Greater ability to handle future resource allocations and staffing challenges
- Greater ability to identify what businesses the State must, should, would like to be, and should not be in.

OPPORTUNITIES

Develop Statewide Strategy

Project:
To perform a strategic analysis of State government to assess the mission, objectives, and critical success factors for the State and to develop a strategic plan for the State. An assessment will be made to determine the ability of the State to sustain improved service delivery into the future, and a plan will be developed to outline the direction and goals of the State, addressing issues raised in the strategic assessment. This project will involve participation of all agencies and all branches of government.

Urgency: High

Implementation Time: Medium

Barriers:
- High level of complexity
- Resistance from agencies
- Resistance from other branches of government

Gains:
- Greater understanding of State capabilities
- Greater ability to handle future challenges and problems

TRAVEL & EXPENSES

DESCRIPTION

- To manage the receipt of information related to Travel & Expense expenses, to verify and categorize such expenditures and to reimburse staff members who have incurred organization related expenditures at their own cost.

GENERAL PROCESSES

- Receive Claim
- Validate Claim
- Reimburse or Pay Claim
- Establish Travel and Expense Framework

INNOVATIVE PRACTICES

- Electronic Returns
- Exception-Based Approval
- Sample Auditing
- Per Diem Allowances
- Payroll Based Refund
- No Submission Of Claims

CURRENT PROCESSES

- Receive Claim
- Validate Claim
- Process Claim with Payroll
- Establish Travel and Expense Framework

CURRENT ENABLERS

- Prepayroll
- PPP
- SBAS and Warrant Writer

This process is well done in most agencies, combining reimbursement of travel and expenses through the processing of payroll information.

TREASURY MANAGEMENT

DESCRIPTION

- To provide the maximum value from cash flow and investment activities at a reasonable level of investment risk.
- To process banking transactions in a timely and efficient manner with a proper level of control.
- To provide management and customers with timely information regarding the status of finances and cash flow.

GENERAL PROCESSES

- Process Financial Institution Transactions
- Financial Institution Reconciliation
- Financing or Investing
- Cash Forecasting

INNOVATIVE PRACTICES

- Optimization of Banking Architecture
- Cash Concentration Accounts
- Sweep Accounts
- Investment Pools
- Automated Cash Forecasting

CURRENT PROCESSES

- Process Financial Institution Transactions
- Financial Institution Reconciliation
- Cash Forecasting

This process is performed centrally rather than by individual agencies and is limited to the collection and deposit of cash and the reconciliation of the State's bank account. It does not include investment activities beyond communications with the Board of Investments on available balances, wire transfers, etc.

The process is performed well in general, however suffers from lack of system support.

CURRENT ENABLERS

- Cash Concentration Accounts
- Transaction exception processing
- SBAS - decentralized transaction registration

PROBLEM INDICATORS

- Time delays between when warrants are issued and when they are actually cashed cause some inefficiencies in the management of cash. Because funds are locked upon the issue of the warrant, the cash is unavailable to the State even though the warrant may not be immediately cashed.

HUMAN RESOURCE PROCESSES

- Organization Design & Development

- Staffing

- Training & Development

- Performance Management

- Compensation & Benefits

- Employee Relations

ORGANIZATION DESIGN & DEVELOPMENT

DESCRIPTION

- The processes surrounding the creation, development and maintenance of the organization's structure. Included in this area are activities such as research, developing organizational strategies, job design, development of job descriptions, eliciting employee involvement, data collection, and record keeping.

GENERAL PROCESSES

- Conduct Market Research
- Organization Design
- Job Design
- HR Consulting Services - Survey Guided Development Team
- HR CS - Team Building
- HR CS - Total Quality Management
- HR CS - Reengineering
- HR CS - Change Management
- Develop Employee Feedback Mechanisms

INNOVATIVE PRACTICES

- Design organization around customer rather than specific functions or services
- Reengineering
- Increasing focus on employee teams

CURRENT PROCESSES

- Conduct Market Research
- Organization Design
- Job Design

CURRENT ENABLERS

- PPP

PROBLEM INDICATORS

- This process is generally achieved at the executive level of the organization. While this is generally adequate for most agencies, there are few enablers which assist the development and planning of future organization. There is insufficient information reporting and strategic support to assist planners.
- There are no specialized human resource services available for agencies to use. In the absence of demonstrated expertise, agencies resort to more traditional models of operation.
- There are few employee feedback mechanisms established throughout most agencies and State-wide.

OPPORTUNITIES

Develop Specialty Human Resource Services

Project:
To develop expertise on a central basis in certain key areas to assist agencies to improve service delivery. This includes expertise in the areas of human resource development skills, team building skills, Total Quality Management, reengineering

and change management skills. This expertise would be available to assist agencies on a consulting basis.

Urgency: Medium

Implementation Time: Medium

Barriers:

- Availability of expert resources in this area

Gains:

- Greater skill base in the area of Human Resources
- Greater ability to improve service delivery within agencies

STAFFING

DESCRIPTION

- The planning, budgeting and development of the workforce for near and long term requirements.
- This involves both external and internal factors. External processes include recruitment of new employees, and assessment of the employee marketplace. Internal processes include human resource planning, internal recruitment, and career planning.

GENERAL PROCESSES

- Work Force Planning
- Budget Staffing Requirements
- Recruit Employees
- Assess Applicants
- Place/Move Employees
- Career Planning
- Succession Planning
- Terminate or Out-place Employees

INNOVATIVE PRACTICES

- Use of automated tools to manage recruitment/selection
- Cooperative agreements with educational institutions
- Proactive alignment of staffing strategies with the organization's future needs

CURRENT PROCESSES

- Budget Staffing Requirements

- Recruit Employees
- Assess Applicants
- Place/Move Employees
- Terminate or Out-Place Employees

CURRENT ENABLERS

- PPP
- Internal Job Postings

PROBLEM INDICATORS

- While existing processes are adequate, the staffing process is quite decentralized and independently conducted by each agency. There is no centralized database of openings and hiring is typically agency specific. This means that staffing activities are duplicated across agencies, and that staffing knowledge and skills are rarely shared.
- Transfer of employees between agencies involves significant information challenges, as new agencies cannot get historical information on new potential employees, nor can that information be transferred once the employee is moved. Additionally, agency personnel must re-key some employee data in PPP for transferred employees.
- Key processes such as Workforce Planning, Career Planning and Succession Planning are not conducted widely in the State. These types of processes are critical as the State faces serious challenges including an aging workforce, new skills and career requirements, and changing business environments.

OPPORTUNITIES

Develop and Implement Human Resources Planning Strategy
Project:

To develop and implement strategic human resource planning. This includes activity in a number of key planning areas. Integrated with more general strategy, human resource planning will identify workforce requirements and gaps based on future business plans and State directions (Workforce Planning). Traditional and new markets for new employees will be assessed, including an assessment of competitors in these marketplaces. Detailed analysis will be conducted for key positions within the State, assessing leadership implications for the future (succession planning). Finally, a plan for future staffing activities and infrastructure development will be developed and implemented.

Urgency: High

Implementation Time: Medium

Barriers:

- High level of complexity
- Participation from all agencies

Gains:

- Greater understanding of human resource challenges within the State
- Greater ability to plan and be ready for significant Statewide human resource changes
- Reduction in inefficiencies and increase in competitiveness within the human resource marketplace
- Greater ability to attract new and stronger talent
- Greater ability to handle human resource challenges across agencies

TRAINING & DEVELOPMENT

DESCRIPTION

- This process involves the development and growth of employees across the organization to ensure continual improvement in skill levels and usefulness to the organization. This includes the support of common training requirements (i.e., safety, general computer skills, ethics, leadership training), detailed, specific training requirements (i.e., ORACLE Designer 2000 development, piloting, lab safety, child psychology), and growth opportunities (i.e., conventions).
- This process should support individuals throughout the organization and include developing skills at a junior level (e.g., work processing skills) to an advanced level (e.g., leadership training).
- Tightly integrated with the appraisal of employee performance, training and development provides for the continued employment of valued employees.

GENERAL PROCESSES

- Set Training and Development Strategy
- Assess Training and Development Requirements
- Deliver Internal Training
- Facilitate External Training
- Track and Measure Staff Training Efforts
- Assess Training Services Provided

INNOVATIVE PRACTICES

- Include employee goals in decision making
- Computer-based /multimedia-based training
- Provision of mentors and employee partners
- Creation and maintenance of annual employee development plans
- Automated methods tracking training received
- Proactive management of training to align it with organizational goals
- Reimbursement provisions for employee expenses

CURRENT PROCESSES

- Deliver Internal Training
- Facilitate External Training

CURRENT ENABLERS

- Newsletters
- Professional Development Center

PROBLEM INDICATORS

- Compared to industry practices, training for employees within the State is below average. More sensitive in the private sector, staff training is usually a top priority. Existing offerings have little variety and the knowledge of the availability of these courses is not wide-spread.
- Training profiles are not consistently maintained for personnel. As employees take different courses there is no record kept indicating how many courses the employee has taken, or what they were.   It becomes difficult to begin the formation of any kind of knowledge inventory without this.
- Training is not associated with performance. There is no framework to assist in determining the need for additional

training or greater breadth of training for specific employees.

- There is no strategic plan for training and employee development growth within the State. Investments and long-term costs for training are typically not assessed or budgeted. There is little concerted effort in long-term development of resources, including renewal of the existing resource pool and the development of new resources.

OPPORTUNITIES

Develop and Implement Employee Development Strategy

Project:
To develop and implement an employee development strategy across the State. This will include an evaluation of existing State requirements and career paths of existing employees within the State. A plan for general and specific training of employees would be developed in addition to a plan for career development within the State government. This plan would be adjusted for each agency and implemented across the State.

Urgency: High
Implementation Time: Medium
Barriers:
- High level of complexity
- Ability to get access to required training materials, courses and talent
- Participation from all agencies

Gains:
- Greater understanding of training needs within the State
- Greater ability to plan and be ready for significant statewide human resource changes
- Improved workforce and greater ability to expand existing resources to fulfill new or more sophisticated requirements.
- Reduction in inefficiencies and increase in competitiveness within the human resource marketplace
- Greater ability to attract new and stronger talent

- Greater ability to handle human resource challenges across agencies

Develop Training Curriculum

Project:
To develop and implement a curriculum for training within the State. This would include general and agency specific skills. This would include a detailed identification of existing training facilities and resources as well as initial negotiations to provide required training services.

Urgency: Medium
Implementation Time: Medium
Barriers:
- Ability to get access to required training materials, courses and talent
- Participation from all agencies

Gains:
- Greater understanding of training availability to the State
- Improved workforce and greater ability to expand existing resources to fulfill new or more sophisticated requirements.
- Reduction in inefficiencies and increase in competitiveness within the human resource marketplace
- Greater ability to attract new and stronger talent
- Greater ability to handle human resource challenges across agencies

Develop Training Tracking Mechanism

Project:
To develop and implement a tracking mechanism to track training throughout State government. While this capability is found in PPP, it suffers from lack of functionality and ease of use. A new tracking system will allow the State to assess existing expertise across the State, and assess individuals for future planning.

Urgency: Medium
Implementation Time: Medium
Barriers:
- Ability of agency information systems to interface with a training tracking mechanism
- Ability of SBAS and PPP to integrate with this application

Gains:
- Reduction of manual effort at a central and agency level
- Greater understanding of skills inventory across organizations, agencies and the State
- Enables performance-based career development

PERFORMANCE MANAGEMENT

DESCRIPTION

- The processes surrounding the evaluation of employees performance and efforts to develop higher levels of achievement. Performance management allows both employees and management the opportunity to monitor, discuss and improve performance.

GENERAL PROCESSES

- Develop HR Assessment Framework, Procedures and Manuals
- Define HR Ethics Policy
- Leadership Management
- Develop Performance Management Systems
- Set Goals
- Coach Employees
- Conduct Appraisal
- Develop Rewards

INNOVATIVE PRACTICES

- Identification of required competencies
- Automation of performance management activities
- 360 degree evaluations
- Development of career ladders

CURRENT PROCESSES

- Develop HR Assessment Framework, Procedures and Manuals
- Define HR Ethics Policy
- Conduct Appraisal
- Develop Reward

CURRENT ENABLERS

- PPP

PROBLEM INDICATORS

- While performance measurement is conducted, it is not taken very seriously at most agencies. Performance information is not used as a determinant of compensation and is not held on a central database for managerial use. This lack of rigor in measurement makes the assessment of employees on a non-subjective basis very difficult, and addressing problems very difficult.
- Existing systems do not support the performance management process. The only functionality provided by PPP is the generation of notices on when performance appraisals are due. Even this is problematic as the date of filing of the last appraisal drives the dates in PPP.

OPPORTUNITIES

Develop and Implement Performance Management Strategy

Project:
To develop and implement a plan for performance appraisal and assessment throughout the State. This will be closely integrated with other human resource areas. This project will involve the analysis of existing positions and position requirements. A framework for assessment will be developed

based on existing positions within the State as well as external standards in similar organizations. A plan will be developed to implement performance management throughout the State and will be implemented.

Urgency: Medium

Implementation Time: Long

Barriers:

- High level of complexity
- Quality of position structure within the State
- Participation from all agencies

Gains:

- Greater understanding of individual performance within the State
- Greater ability to plan and prepare for significant statewide human resource changes
- Improved workforce management and greater ability to determine if existing resources can fulfill new or more sophisticated requirements.
- Reduction in inefficiencies and increase in competitiveness within the human resource marketplace
- Greater ability to attract new and stronger talent
- Greater ability to handle human resource challenges across agencies
- Ability to support competency based pay

Develop Leadership Management Strategy

Project:
To develop a strategy to foster and manage leadership skills and individuals throughout the State. This will involve the development of a support infrastructure to grow existing leadership talent including leadership skills, management skills and sensitivity training.

Urgency: Medium

Implementation Time: Medium

Barriers:

- Availability of developmental resources, courses, and talent to the State
- Participation from all agencies

Gains:

- Higher quality services

- Greater understanding of individual performance within the State
- Greater ability to plan and be ready for significant statewide human resource changes
- Improved workforce management and greater ability to determine if existing resources can fulfill new or more sophisticated requirements.
- Increased competitiveness within the human resource marketplace
- Greater ability to attract new and stronger talent
- Greater ability to handle human resource challenges across agencies

COMPENSATION & BENEFITS

DESCRIPTION

- The processes surrounding the development of an incentive infrastructure within the State for both internal and external human resources. This includes monetary and non-monetary rewards for State employees, contractors and other interacting entities.

GENERAL PROCESSES

- Conduct Market Research
- Develop Compensation & Benefits Strategy
- Budget Compensation and Benefits
- Develop Job Evaluation and Pricing
- Source, Negotiate and Manage Benefit Vendors
- Enroll and Counsel Employees to Benefits Plan

INNOVATIVE PRACTICES

- Performance based compensation
- Decentralized compensation decision making

CURRENT PROCESSES

- Conduct Market Research
- Budget Compensation and Benefits
- Source, Negotiate and Manage Benefit Vendors

- Enroll and Counsel Employees to Benefits Plan

CURRENT ENABLERS

- PPP
- Tesseract

PROBLEM INDICATORS

- Compensation and Benefits are not based on performance. Performance-based compensation is a strong incentive for improved performance and quality of work.
- Existing compensation and benefit levels are substantially below industry standards. This causes a serious challenge since valued and talented resources leave the public sector to work elsewhere. This loss of resources is costly given any investment in training and dependency in skills or knowledge. In other public sector organizations employees who leave the government commonly use their developed knowledge and return to work for the State as a contractor.
- There is no effective strategy in place to address the compensation gap between the government and private sector. While there is an operating framework for market-based pay, this has proven to be ineffective at retaining personnel in high-value positions. Without an effective strategy, the State will not be able to effectively deal with their human resource problems.

OPPORTUNITIES

Develop and Implement Compensation Strategy
Project:
To develop and implement a performance-based compensation strategy. This will include an examination of the human resource marketplace and identification of appropriate compensation and incentive appropriate to State requirements. A plan will be developed to implement a

new compensation infrastructure and a strategy to approach future compensation issues. This plan will then be implemented across the State.

Urgency: High

Implementation Time: Long

Barriers:

- Participation from all agencies
- Lack of performance management strategy
- Resistance from other areas of government

Gains:

- Higher quality services
- Greater ability to plan and be ready for significant statewide human resource changes
- Improved workforce management and greater ability to plan for resources to address new or more sophisticated requirements.
- Increased competitiveness within the human resource marketplace
- Greater ability to attract new and stronger talent
- Greater ability to handle human resource challenges across agencies

EMPLOYEE RELATIONS

DESCRIPTION

- The processes surrounding labor relations and other employee based activities including employee organizations and sharing of sick leave. Policy and processes within this area also relate to quality in workplace environment, balance of work and home, and personal employee growth.

GENERAL PROCESSES

- Develop Employee Assistance Strategy (Health, Safety, Security)
- Develop Labor Relations Strategy
- Develop Legal Procedures
- Conduct Employee Assistance (Health, Safety, Security)
- Source, Negotiate and Manage Outsourced Assistance
- Conduct Union Negotiations
- Provide Ombudsman Capability
- Resolve Disputes

INNOVATIVE PRACTICES

- Develop a collaborative working relationship with union leadership

CURRENT PROCESSES

- Develop Employee Assistance Strategy (Health, Safety, Security)
- Develop Labor Relations Strategy
- Develop Legal Procedures
- Conduct Employee Assistance (Health, Safety, Security)
- Source, Negotiate and Manage Outsourced Assistance
- Conduct Union Negotiations
- Resolve Disputes

PROBLEM INDICATORS

- While adequately performed, there is little support in this area from central systems. For instance, there is no system tracking employee accidents or injuries.

ASSET MANAGEMENT PROCESSES

- Procurement

- Fixed Asset & Materials Management

- Warehousing

- Operations & Maintenance

PROCUREMENT

DESCRIPTION

- The processes surrounding the acquisition of the goods and services required to fulfill an organizations goals. Activities involved include identification of quality items, process identification, selection, purchasing, and delivery.

GENERAL PROCESSES

- Process identification (RFP, sole source, no bid required, etc.)
- Identification of quality goods and services
- Selection of goods and services
- Issuance of documentation
- Payment
- Delivery and receipt
- Vendor Maintenance

INNOVATIVE PRACTICES

- Focus on service orientation to purchasing
- Maintaining good vendor relationships
- Increased integration with accounts payable processing
- Focus on receiving favorable payment terms
- Procurement cards

CURRENT PROCESSES

- Process identification (RAP, sole source, no bid required, etc.)

- Identification of quality goods and services
- Selection of goods and services
- Issuance of documentation
- Payment
- Delivery and receipt

CURRENT ENABLERS

- SBAS
- APS Procurement System
- Lotus 123

PROBLEM INDICATORS

- This process is duplicative and has poor systems support. Agencies must prepare paper requisitions that are sent to the central Purchasing Division for procurement. These paper forms are then re-keyed into the purchasing system to create paper PO's.
- The purchasing system is not connected to the general ledger and asset management systems, which means that information that could be shared is re-keyed into SBAS and PAMS.
- This process is largely unautomated, with a centralized information system that is inaccessible to agencies. This leads to numerous approvals and manual exchanges which are all paper-based. This paper-based process carries significant overhead in paper handling and filing.
- Vendor maintenance is not consistently done in agencies. There is no mechanism with which agencies can share and access detailed vendor information.

OPPORTUNITIES

Integrate Accounts Payable, Procurement and Asset Management Processes

See Accounts Payable.

FIXED ASSET & MATERIALS MANAGEMENT

DESCRIPTION

- The process surrounding the management of fixed assets and materials required by organizational needs and goals. This is related to the accounting of assets, however it is not financially driven. This process includes the identification of new asset requirements, tracking existing assets, and the facilitation of asset disposal and replacement.

GENERAL PROCESSES

- Review organization goals
- Review related tasks
- Identify material needs
- Identify storage requirements
- Coordinate material needs with current inventories

INNOVATIVE PRACTICES

- Just in time planning
- Increasing the visibility of the links between organizational goals and material requirements
- Increased automation

CURRENT PROCESSES

- Review organization goals
- Review related tasks
- Identify material needs
- Identify storage requirements
- Coordinate material needs with current inventories

CURRENT ENABLERS

- PAMS
- Lotus 123

PROBLEM INDICATORS

- There is little fixed asset planning in most agencies. Tracking the life expectancy of fixed assets and replacement strategies are largely not performed. This prevents managers from making strategic plans for future budgets and future investments. Large assets, such as computers, are typically replaced on an emergency or urgent priority basis, rather than in a planned and controlled manner.
- Fixed asset reporting and other tools available to agency management does not capture the right kinds of information to make adequate decisions on assets. PAMS is primarily financial in nature, and in-house systems are mostly simplistic and do not track detailed information.
- There is no centralized system to track surplus or fixed assets no longer required across the State. There is no method for agencies to share fixed assets in a centrally coordinated manner.

OPPORTUNITIES

Integrate Accounts Payable, Procurement and Asset Management Processes

See Accounts Payable.

WAREHOUSING

DESCRIPTION

- The processes surrounding the actual storage of materials needed by the organization. The processes involved in getting those items to personnel needing them would also be included.

GENERAL PROCESSES

- Establish Warehousing Supply Targets
- Receive and Process Goods
- Receive and Process Orders
- Monitor Inventory Levels

INNOVATIVE PRACTICES

- Outsourcing
- Warehouse Information Systems
- Robotics
- Demand Modeling
- Automated picking and shipping processes

CURRENT PROCESSES

- Establish Warehousing Supply Targets
- Receive and Process Goods
- Receive and Process Orders
- Monitor Inventory Levels

CURRENT ENABLERS

- APPX Warehouse Information System

- Data gathering in this area has been light, as the primary focus of investigation has been general information services delivery. In general, warehousing is perceived to be good within the State.

OPPORTUNITIES

Outsource Warehousing

Project:
To investigate outsourcing options for the State. As the State does not derive direct service benefits from internal warehousing, outsourcing this area typically offers cost savings and improved service. Several agencies already outsource their warehousing requirements.
Urgency: Low
Implementation Time: Short
Gains:
- Reduced costs and overhead in management of warehousing
- Better service delivery and responsiveness to market conditions

OPERATIONS & MAINTENANCE

DESCRIPTION

- This process involves the continual maintenance, upgrade, and replacement of equipment and facilities in support of State objectives and goals.

GENERAL PROCESSES

- Establish Maintenance Plan and Targets
- Develop Preventative Maintenance Schedule
- Maintain and Repair Facilities and Equipment
- Forecast Equipment Replacement

INNOVATIVE PRACTICES

- Outsourcing
- Preventative Maintenance Mechanisms
- Automated Work Order
- Maintenance Inventory Tracking

CURRENT PROCESSES

- Develop Preventative Maintenance Schedule
- Maintain and Repair Facilities and Equipment
- Forecast Equipment Replacement

- Data gathering in this area has not been extensive, as the focus of investigation has been on information services

delivery. However, it is generally felt that operations and maintenance is good.

OPPORTUNITIES

Outsource Facilities and Equipment Maintenance

To investigate and implement maintenance options for the State. As the State does not derive direct service benefits from internal maintenance, outsourcing this area typically offers cost savings and improved service. It is not known the degree to which this outsourcing is being performed.
Urgency: Low
Implementation Time: Short
Gains:

- Reduced costs and overhead in management of warehousing
- Better service delivery and responsiveness to market conditions